

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Hull Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 18, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a modification to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jfb

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Hull Retirement System
January 1, 2020 Actuarial Valuation

Total cost increases 0% for FY22 then 4.0% per year until FY30 with a final amortization payment in FY31

| <u>Fiscal Year</u> | <u>Normal Cost</u> | <u>Net 3(8)(c)</u> | <u>Amort. of UAL</u> | <u>Total Cost</u> | <u>Unfunded Act. Liab.</u> | <u>Change in Cost</u> |
|------------------------|------------------------|------------------------|--------------------------|-----------------------|--------------------------------|---------------------------|
| 2021 | 1,118,333 | 100,000 | 2,845,363 | 4,063,696 | 25,080,705 | |
| 2022 | 1,168,658 | 100,000 | 2,795,038 | 4,063,696 | 23,898,822 | 0.0% |
| 2023 | 1,221,248 | 100,000 | 2,904,996 | 4,226,244 | 22,683,210 | 4.0% |
| 2024 | 1,276,204 | 100,000 | 3,019,090 | 4,395,294 | 21,260,245 | 4.0% |
| 2025 | 1,333,633 | 100,000 | 3,137,472 | 4,571,105 | 19,610,169 | 4.0% |
| 2026 | 1,393,647 | 100,000 | 3,260,303 | 4,753,950 | 17,711,596 | 4.0% |
| 2027 | 1,456,361 | 100,000 | 3,387,747 | 4,944,108 | 15,541,389 | 4.0% |
| 2028 | 1,521,897 | 100,000 | 3,519,975 | 5,141,872 | 13,074,520 | 4.0% |
| 2029 | 1,590,382 | 100,000 | 3,657,164 | 5,347,547 | 10,283,929 | 4.0% |
| 2030 | 1,661,949 | 100,000 | 3,799,499 | 5,561,449 | 7,140,365 | 4.0% |
| 2031 | 1,736,737 | 100,000 | 3,633,693 | 5,470,430 | 3,612,213 | -1.6% |
| 2032 | 1,814,890 | 100,000 | | 1,914,890 | 0 | -65.0% |

FY22 appropriation set equal to FY21 appropriation amount
Appropriation payments assumed to be made on August 1 of each fiscal year
Normal cost assumed to increase 4.5% per year
Assumed expenses of \$225,000
FY21 amount previously reduced to be same as FY20 amount